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Attorneys for Trustee, Bernie R. Rakozy

UNITED STATES BANKRUPTCY COURT DISTRICT OF IDAHO

In Re:

COMMUNITY HOME HEALTH, INC.,

Debtors.

Case No. 98-02141

OBJECTION TO MOTION FOR ALLOWANCE OF ADMINISTRATIVE EXPENSE BY THE HOSAC COMPANY

The Trustee, Bernie R. Rakozy, by and through the undersigned counsel, objects to the Motion for Allowance of Administrative Expenses filed by The Hosac Company, Inc. ("Hosac") in the amount of \$66,251.81. In support of this objection the Trustee alleges:

- 1. On July 10, 1998 this court entered a Preliminary Order Allowing Limited Operation and Use of Cash Collateral ("Operating Order") by the Trustee in order to wind down the business and process receivable claims. The court further authorized the use of cash collateral of U.S. Bank in order to pay for the operation including "rents."
- 2. The administrative expense claimed by Hosac was incurred in connection with the Operating Order.
- 3. Effective August 5, 1998, the court approved the Trustee's rejection of executory leases including the Hosac's lease.

OBJECTION TO MOTION FOR ALLOWANCE OF ADMINISTRATIVE EXPENSE BY THE HOSAC COMPANY- 1

CERTIFICATE OF SERVICE

D. Blair Clark P. O. Box 2773 Boise, ID 83701	[] U.S. Mail [] FAX [] Overnight Delivery [] Hand Delivery
Bernie R. Rakozy P.O. Box 1738 Boise, ID 83701	[] U.S. Mail[] FAX[] Overnight Delivery[] Hand Delivery
U.S. Trustee 304 North 8th Street Room 347 P. O. Box 110 Boise, ID 83701	[V U.S. Mail [Y FAX [] Overnight Delivery [] Hand Delivery
Randy Peterman Elam & Burke, P.A. 702 W. Idaho, 10th Fl. P. O. Box 1539 Boise, ID 83701-0539	[] U.S. Mail [] Fax [] Overnight Delivery [] Hand Delivery
Verlene Kaiser 2739 Starcrest Dr. Boise, Idaho 83712	[] U.S. Mail [] Fax [] Overnight Delivery [] Hand Delivery
Joseph M. Meier Cosho Humphrey Greener & Welsh, P.A. 815 W. Washington Boise, ID 83702-5590	[] U.S. Mail [] Fax [] Overnight Delivery [] Hand Delivery

Jed/W. Manwaring

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Jed W. Manwaring

August 19, 1998

VIA HAND DELIVERY

Randall A. Peterman Elam & Burke, PA 702 W. Idaho, 10th Fl P. O. Box 1539 Boise, ID 83701-1539

Joseph M. Meier Cosho Humphrey Greener & Welsh, PA 815 W Washington Boise, ID 83702-5590

Re: Community Home Health Bankruptcy

Our File No. 281-72

Dear Randy and Joe:

As of August 18, 1998, the Trustee has vacated the premises at 1109 West Myrtle, One Pioneer Plaza, Boise, Idaho. As you know, the property lease has been rejected. One half of the debtor's second floor prior leased space, which was self-contained with a lobby entrance, was vacated prior to the petition being filed. Enclosed to Joe are all the keys and entry cards that were available to the Trustee.

The remaining items in the leased space are the modular furniture and leased equipment from U.S. Bancorp, which lease has been rejected and U.S. Bancorp has the duty to remove its leased property. There also remains some miscellaneous metal shelving, telephone electronic equipment (in the men's rest room on the 2nd floor), and security system leased from Citicorp. Both have been notified that they need to pick up and remove the property. The Trustee has no control over their pick-up and the estate should not be held liable for any rent as a result of those items of property remaining.

Enclosed is a letter from Intermountain Design, Inc., offering to purchase the Allsteel modular furniture work stations for \$25,000. The Trustee claims no interest in the work stations which are leased from U.S. Bancorp, and I have notified Intermountain Design of that. There are also components of the system stored at Continuing Care, 515 Vista, and at Intermountain Design. Also enclosed to Randy are keys to the rolling file carts. As you know the lease is rejected and U.S. Bancorp. needs to pick up the furniture.

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There is some large items of cherrywood or mahogany finished cabinets owned by the Estate and left in the large conference room. These items match the large conference table leased from U.S. Bancorp. During one visit, Mr. Hosac expressed interest in acquiring the cabinets. If that is true, could he please make an offer. (The debtor estimates that the cabinets costs approximately \$5,000 new.) We could credit that towards the rent due. If he doesn't want them, we'll remove those also but it did not seem logical for us to remove the cabinets at this time. Nor do we agree that any rent to the estate should accrue by leaving it for Mr. Hosac to make a decision as to whether he wants it or not.

Thank you for your cooperation.

Very truly yours,

Jed W. Manwaring

JWM:mg

cc: Bernie

Bernie R. Rakozy Blair Clark